

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MBIA INSURANCE CORPORATION :
and WELLS FARGO BANK, :
N.A. (f/k/a WELLS FARGO :
BANK MINNESOTA N.A.) as :
TRUSTEE OF SFC GRANTOR :
TRUST, SERIES 2000-1, SFC :
GRANTOR TRUST, SERIES :
2000-2, SFC GRANTOR TRUST, : C.A. NO.
SERIES 2000-3, SFC GRANTOR : 02-1294-JJF
TRUST, SERIES 2000-4, SFC :
GRANTOR TRUST, SERIES 2001-1, :
SFC GRANTOR TRUST, SERIES :
2001-2, SFC OWNER TRUST :
2001-I, AND SFC GRANTOR :
TRUST, SERIES 2001-3, :
Plaintiffs/Counterclaim :
Defendants, : WITNESS:
: PAMELA B. GAGNE'
v. : TRACK I
ROYAL INDEMNITY COMPANY, :
Defendant/Counterclaim : DATE:
Plaintiff. : MARCH 16, 2007

ROYAL INDEMNITY COMPANY,
Third-Party Plaintiff,

vs.

ANDREW N. YAO, STUDENT LOAN
SERVICING LLC, STUDENT LOAN
ACCEPTANCE II LLC, STUDENT LOAN
ACCEPTANCE III LLC, STUDENT LOAN
ACCEPTANCE III LLC, STUDENT LOAN
ACCEPTANCE V LLC, STUDENT LOAN
ACCEPTANCE VIII LLC, STUDENT LOAN
ACCEPTANCE IX LLC, SFC FINANCIAL LLC
I, SFC FINANCIAL LLC II, SFC
FINANCIAL LLC VI, SFC FINANCIAL LLC
VII,
Third-Party Defendants.

ROYAL INDEMNITY COMPANY,
Counter-Claimant,

vs.

MBIA BANK and WELLS FARGO BANK
MINNESOTA, N.A.,
Counter-Defendants.

1 please swear in the witness?

2 - - -

3 PAMELA B. GAGNE, after
4 having been first duly sworn, was
5 examined and testified as follows:

6 - - -

7 EXAMINATION

8 - - -

9 BY MS. GOODMAN:

10 Q. Good morning, Mrs. Gagne'. My 09:38:50
11 name is Lois Goodman.

12 A. Good morning.

13 Q. We met earlier. I am one of the
14 attorneys for Charles Stanziale, who
15 is the trustee in bankruptcy for
16 Student Finance Corporation. We are
17 here this morning to take your
18 deposition.

19 Have you ever had a
20 deposition taken before? 09:39:04

21 A. No, I have not.

22 Q. And you are represented this
23 morning, are you not?

24 A. Yes, I am.

25 Q. By Mr. Epstein and Ms. Press? 09:39:10

1 - - -

2 (Whereupon a lunch break
3 was taken at this time.)

4 - - -

5 THE VIDEO TAPE OPERATOR: 13:22:54

6 Back on the record. The time is
7 13:24.

8 BY MS. GOODMAN:

9 Q. Good afternoon, Mrs. Gagne'.

10 Let's just continue. We were 13:23:08
11 talking about the last of the loans
12 that you were involved with on
13 Exhibit 1433, Track I, and we were
14 on Page 31.

15 Are you still at that 13:23:20
16 page?

17 A. Yes, I am.

18 Q. I apologize if I asked this
19 before, but they are sort of
20 slipping together on me. 13:23:30

21 In Subsection A of Item
22 34, there is a description of the
23 source of funds for the \$400,000
24 secured note and loan, dated March
25 5, 2002. 13:23:48

1 Do you see that?

2 A. Yes, I do.

3 Q. And it says the source of funds

4 for the loan to SFC was a

5 collateralized loan to the custody 13:23:58

6 account of W. Roderick Gagne'.

7 If I asked you, I

8 apologize, but can you tell me what

9 the collateral was for that loan?

10 A. Well, it was my loan. I 13:24:10

11 believe, at the time we did it,

12 Brent was very ill, so I borrowed

13 the money initially from Rod, but

14 I'm not entirely certain. I had

15 thought I had done a line of credit, 13:24:26

16 but I guess I may not have with

17 Brent being that ill that the time.

18 Q. And referring back to Item 34-A

19 on the prior exhibit, 1432, Track I,

20 on Page 29? 13:25:08

21 A. Yes, that was what I had

22 thought, and I guess that had been

23 my intent, and then when Brent got

24 ill, I borrowed the money to make

25 the loan instead against Rod's 13:25:28

1 account, because it was just faster,
2 simpler.

3 Q. And do you recall -- when it
4 says a collateralized loan, do you
5 recall what the collateral was? 13:25:46

6 A. I don't recall what the
7 collateral was.

8 Q. Going down to Subparagraph E,
9 under Number 34 --

10 MR. EPSTEIN: Can we go 13:26:02
11 off the record?

12 THE VIDEO TAPE OPERATOR:
13 Off the record. The time is 13:27.

14 THE VIDEO TAPE OPERATOR:
15 Back on the record. The time is 13:29:48
16 13:31.

17 BY MS. GOODMAN:

18 Q. You spoke earlier about a
19 guarantee that you received for the
20 March 5, 2002 loan, and I believe 13:30:04
21 that's referenced in Subparagraph

22 E. If you would read the first two
23 sentences of that paragraph into the
24 record, please?

25 A. Sure. "Yao and Lore Yao 13:30:12